

Message Text

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PAGE 01 MADRID 06567 061523Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PA-01 USIA-06 PRS-01 SP-02
TRSE-00 /043 W
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R 061055Z SEP 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 1599
AMEMBASSY OSLO
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY LISBON
AMEMBASSY THE HAGUE
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY STOCKHOLM
USMISSION NATO

C O N F I D E N T I A L MADRID 6567

USEEC, OECD AND EMBASSIES

E.O. 11652: GDS
TAGS: ELAB, SP
SUBJ: UGT FINANCIAL PROBLEMS

REF: MADRID 6550

1. IT IS NOW OVER A MONTH SINCE PRIME MINISTER SUAREZ
ASSURED UGT SECGEN NICOLAS REDONDO THAT HE WAS GIVING
INSTRUCTIONS TO PROCEED WITH THE GOS GUARANTY OF THE DGB
DM 10 MILLION LOAN TO THE UGT (MADRID 5883), AND STILL
NO ACTION. UGT ORGANIZATION SECRETARY (AND PSOE SENATOR
FROM MALAGA) GARCIA DUARTE TELLS US THAT REPEATED
CALLS TO LABOR MINISTER JIMENEZ DE PARGA HAVE ONLY
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PAGE 02 MADRID 06567 061523Z

CONFIRMED THE IMPRESSION THAT THEY ARE GETTING THE
RUN-AROUND FROM THE GOS ON THIS MATTER. REDONDO TOLD LABATT
SEPTEMBER 2 THAT THE UGT HAS JUST ABOUT CONCLUDED THAT
SUAREZ HAS NO INTENTION OF MOVING ON THE LOAN GUARANTY, AT
LEAST NOT IN TIME TO BE OF MAXIMUM BENEFIT TO THE UGT.
NOW THAT A NOVEMBER 15 DEADLINE HAS BEEN SET FOR PLANT
COMMITTEE ELECTIONS (REFTEL), THE UGT WILL HAVE ITS BACK

AGAINST THE WALL (FINANCIALLY SPEAKING) MOUNTING AN EFFECTIVE CAMPAIGN TO DEFEAT THE WELL-NEEDED OAND ORGANIZED COMMUNIST-DOMINATED WORKERS' COMMISSIONS (SWC) AT THE GRASSROOTS AMONG THE PLANT WORKERS. THE UGT HAS TOLD THE EMBASSY THAT IT WILL CONCENTRATE ON THE COUNTRY'S REALLY LARGE PLANTS, WHERE VOCTORIES WILL COUNT THE MOST. THEY NOTE THAT SIXTH PERCENT OF SPAIN'S INDUSTRIAL WORKERS ARE CONCENTRATED IN SIX OF THE FIFTY PROVINCES (BARCELONA, MADRID, VALENCIA, BASQUE AREA), AND THAT OVER FIFTY PERCENT ARE IN THE INDUSTRIAL FIELDS OF METAL, CONSTRUCTION, AND TEXTILES.

2. THER IS LITTLE DOUBT THAT THE UGT IS HURING FINANCIALLY. ALTHOUGH UNION DUES ARE NOW SLOWLY BEGINNING TO COME IN (AND MEMBERSHIP WILL REACH ONE MILLION BY YEAR'S END - IF NOT SOONER - ACCORDING TO REDONDO), DUARTE TELLS US THAT LOCAL AND PROVINCIAL UNIONS ARE HAVING TO KEPP EVERY PESETA OF DUES IN ORDER TO BE ABLE TO PAY OFFICE AND LEGAL AID EXPENSES, ETC. WHILE THIS IS UNDERSTANDABLE AT THIS PHASE OF UGT DEVELOPMENT, STATES DURATE, IT MEANS THAT UGT HEADQUARTERS IS RECEIVING NEXT TO NOTHIN. OF ALL THE PROVINCIAL OFFICES, BARCELONA IS THE BEST OFF, AND THIS IS ONLY DUE TO THE MONTHLY GRANT OF PTAS. 150,000 (APPROX. \$1800) SPECIFICALLY EARMARKED BY THE SWEDISH LO FOR THAT REGION. (NOTE FOR EMBASSY OSLO: IS THERE ANY PROGRESS ON PROPOSED NORDIC TRADE UNION COUNCIL JOINT PROJECT FOR DIRECT

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PAGE 03 MADRID 06567 061523Z

FINANCIAL SUPPORT FOR UGT AS PER SANDEGREN/DODD/COOK CONVERSATION OF JUNE 23 - SEE MEMCON? IF SCANDINAVIANS ARE SERIOUS ABOUT ASSISTANCE, TIME TO HELP UGT IS NOW.)

3. LATEST GOVT PROMISES TO EXPEDITE PATRIMONY SETTLEMENT BASED ON UGT CNT, AND BASQUE STV PROPERTIES CONFISCATED IN 1939 AFTER CIVIL WAR (REFTEL, HAD ALSO RAISED UGT HOPES FOR SOME POSSIBLE EARLY FINANCIAL ASSISTANCE. NOW, HOWEVER, REDONDO SAYS THAT THEY HAVE INDICATIONS THAT GOVT, INSTEAD OF PROCEEDING WITH PROMPT INITIAL SETTLEMENT FOR UGT (WHICH OWNED BULK OF CONFISCATED PROPERTIES) AS FIRST PLANNED, IS NOW INCLINED TO DELAY ANY PAYMENTS UNTIL IT CAN SETTLE WITH ALL THE UNIONS AT ONCE. ADDING CREDENCE TO THE ABOVE IS A COMMUNIQUE BY THE SWC (PRESS OFF SEPTEMBER 4) DECLARING THAT THE PATRIMONY OF FORTY YEARS OF DICTATORSHIP "BELONGS TO ALL THE WORKERS", AND THAT THE RETURN OF ANY PART OF THIS PATRIMONY NOW TO ONE SELECTED UNION WOULD GIVE IT "AN UNJST ADVANTAGE WITH RESPECT TO THE PLANT COMMITTEE ELECTIONS".

4. COMMENT. THE UGT SPECULATES - AND THE EMBASSY TENDS TO AGREE - THAT SUAREZ' FEAR OF GIVING ANY AID AND COMFORT

WHATSOEVER TO HIS ARCH POLITICAL RIVAL - THE PSOE - HAS
RESULTED IN A GOS COLD SHOULDER TO THE PSOE-ALLIED UGT.
A BITTER UGT MAKES THE VALID POINT THAT THIS "SHORTSIGHTED
POLICY" BASED UPON THE GOVT'S PERCEPTION OF CURRENT
POLITICAL EXPEDIENCY OF COURSE HAS THE RESULT OF GIVING AID
AND COMFORT TO THE WORKERS' COMMISSIONS AT A CRITICAL
TIME, I.E. JUST BEFORE THE PLANT ELECTIONS.EATON

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Message Attributes

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Copy: SINGLE
Sent Date: 06-Sep-1977 12:00:00 am
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